

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

AT&T CORP.,

Plaintiff,

v.

APPLIED CARD SYSTEMS, INC.,

Defendant.

Civil Action No.:

COMPLAINT

Plaintiff AT&T Corp. ("AT&T"), by way of Complaint against Defendant Applied Card Systems, Inc. ("ACSI"), alleges as follows:

PARTIES

1. AT&T is a corporation organized and existing under the laws of the State of New York with a principal place of business in Bedminster, New Jersey.

2. ACSI is a Delaware corporation with a principal place of business in Florida and which does business in Delaware and has an agent for service of process in that state.

JURISDICTION

3. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332, because diversity of citizenship exists between the parties and the matter in controversy, exclusive of interest and costs, exceeds the sum or value of \$75,000.

VENUE

4. Venue is proper in the District of Delaware pursuant to 28 U.S.C. § 1391 because upon information and belief, ACSI is subject to personal jurisdiction in this District and thus, resides in this District for venue purposes.

FIRST COUNT
(Breach of Contract)

5. AT&T repeats and reiterates the allegations contained in the foregoing paragraphs as if set forth fully herein.

6. At all times relevant to this action and pursuant to contracts between AT&T and ACSI (the “Contracts”), ACSI agreed to pay AT&T for telecommunications services provided by AT&T. The Contracts make ACSI responsible for the payment of all invoices for telecommunications services rendered to ACSI as well as all other associated charges.

7. AT&T provided ACSI with telecommunications services, which were used by ACSI.

8. AT&T billed ACSI \$714,215.41 (the “Amount”) in accordance with the applicable rates and charges set forth in the Contracts for telecommunications services provided from in or about February 2004 through in or about September 2004 relative to account numbers 171-787-4331-931; 171-787-4332-976; and 059-216-8019-001 (the “Accounts”).

9. ACSI was obligated to pay AT&T for telecommunications services rendered to ACSI, as well as other applicable charges.

10. ACSI has failed and refused to pay the Amount owed to AT&T. The amount remains due and owing from ACSI.

WHEREFORE, AT&T demands judgment against ACSI on the First Count of the Complaint:

- (1) for \$714,215.41 plus pre-judgment and post-judgment interest;
- (2) awarding costs and disbursements incurred by AT&T in prosecuting this action, including reasonable attorneys' fees; and charges incurred as a result of ACSI's failure to comply with the terms of the Contracts; and
- (3) for such other and further relief as the Court deems just and proper.

SECOND COUNT
(Quantum Merit and Unjust Enrichment)

11. AT&T repeats and reiterates the allegations contained in the foregoing paragraphs as if set forth fully herein.

12. AT&T rendered to ACSI telecommunications services in the value of the Amount.

13. AT&T sues ACSI for the reasonable value of telecommunications services rendered to ACSI. Payment has been demanded and has not been made.

14. ACSI has thus been unjustly enriched in the Amount, and AT&T is entitled to be compensated for the benefit it has conferred on ACSI.

WHEREFORE, AT&T demands judgment against ACSI on the Second Count of the Complaint:

- (1) for \$714,215.41 plus pre-judgment and post-judgment interest;
- (2) awarding costs and disbursements incurred by AT&T in prosecuting this action, including reasonable attorneys' fees; and charges incurred as a result of ACSI's failure to comply with the terms of the Contracts;
- (3) for such other and further relief as the Court deems just and proper.

Date: May 16, 2005
Wilmington, Delaware

ELZUFON, AUSTIN, REARDON,
TARLOV & MONDELL, P.A.

/s/ Charles J. Brown, III

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-and-

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